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Revised Regulation on the Importation of Horticulture Products

Report Categories:

Agricultural Situation

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Report Highlights:

The Government of Indonesia (GOI) recently issued new regulations which specify requirements for importing horticultural products. The new regulations include Ministry of Agriculture (MOA) Regulation No. 47/2013 and Ministry of Trade (MOT) Regulation No. 16/2013. The new regulations replace MOA Regulation No. 60/2012 and MOT Regulations No. 30/2012 and 60/2012. Post reports that the new regulations are not significantly different from Indonesia's previous regulations.

General Information:

Most aspects of MOA Reg. 47/2013 and MOT Reg. 16/2013 are not significantly different from the previous regulations, MOA Reg. 60/2012 and MOT Regs No 30 and 60/2012. One notable difference is that the revised regulations do not expressly cite quantitative limits for specific horticultural commodities. Nonetheless, Post expects that the GOI will continue to pursue quantitative controls through import licensing requirements. The new regulations also continue to require Recommendation for Import of Horticulture Products (RIPH) from the MOA and import permits (SPI) from MOT's Trade Servicing Unit. Finally, it is noteworthy that the MOA and MOT regulations generally correspond, which indicates some level of coordination between the two ministries.

Other key aspects of the new regulations include the following:

- 18 horticultural products from the previous 57 products were removed from regulations 47 &16, to include garlic and certain varieties of fruit juices.
- The RIPH and SPI requirements remain, as well as all the packaging and labeling provisions, and pre-shipment inspection requirements. Extensive documentation requirements still remain in place. Exporters cannot ship without RIPH and SPI.
- Importers are still required to receive a Registered Importer Number (IT) or Producer Importer Number (IP) as a prerequisite for applying for the permit. IT remains for general importers, and IP remains for food processors that will use the imported product in value added food processing. MOT Reg. 16/2012 requires that online IT and IP applications should be submitted electronically through the MOT's INATRADE system. However, in the Reg. 16/2012, the validity of IP Number depends on the validity of RIPH. According to senior officials within the MOA's Directorate General of Agricultural Processing and Marketing, after importers receive their RIPH from the MOA, they are eligible to receive an IP from the MOT. Conversely, IT importers should obtain an IT number in advance from the MOT before applying for the RIPH.
- INATRADE will also be used for both MOA (obtaining RIPH) and MOT (obtaining SPI) requirements. Currently the MOT is still designing the system, although the GOI hopes INATRADE for this purpose will be available by May 23, 2013. If the system is not operation in time for second semester 2013 RIPH applications, importers will be required to apply in person and submit hardcopy applications to MOT officials. Post understand that MOT will forward RIPH application to MOA.

NOTE: The INATRADE system was launched in August 2010 and is based on MOT Regulation No. 28/2009, which requires an online system for importing and exporting products as part of the Indonesian National Single Window initiative.

• Fresh products must arrive in Indonesia within six months from the time of harvest.

- MOA Reg. 47/2013 requires packing house registration and GAP certificates.
- IT importers importing fresh horticultural products for retail, food service and general consumption can only apply for RIPH two times per year. They must apply during the prescribed application periods (December of the previous year for the first semester; and June of the current year for the second semester).

IT importers importing processed horticultural products (juice, chili sauce, apple sauce, salsa, pickles, etc.) for retail, food service and general consumption, and IP importers for fresh and processed horticulture product are eligible apply for RIPH at any point throughout the year. However, these importers must import the product during the same semester as which they submitted the RIPH application. For example, if an IP and/or processed product IT importer applies for an RIPH in March or April, the product <u>must</u> be imported before the end of June. (MOA 47/2013: article 11-4).

- The GOI plans to implement MOA Reg. 47/2013 and MOT Reg. 16/2013 during the second semester of 2013 (July December, 2013). The second semester RIPH application period for IT importers of fresh horticulture is expected to be open during May 29 -31, 2013 time frame and SPI is expected to be issued before June 15, 2013.
- Post raised concerns regarding the new Regulations with MOT and MOA officials. However,
 officials could not explain the rationale for the approval letter from MOT as stated in MOA
 Regulation 47 Article (8) (1) other than to say that this is part of the INATRADE System. When
 asked about the six month post harvest requirements, MOA officials suggested this is to ensure
 product quality.